

## **§ 309.7**

agrees to accept payment in installments, it may require a legally enforceable written agreement from the debtor that specifies all of the terms of the arrangement and which contains a provision accelerating the debt in the event the debtor defaults. The size and frequency of the payments should bear a reasonable relation to the size of the debt and ability of the debtor to pay. If possible, the installment payments should be sufficient in size and frequency to liquidate the Government's claim within three years.

### **§ 309.7 Designation.**

The Chief Financial Officer is delegated authority and designated to perform all the duties for which the Director is responsible under the forgoing statutes and joint regulations.

## **Subpart B—Collection Actions**

### **§ 309.8 Application.**

(a) Peace Corps shall aggressively collect claims and debts in accordance with these regulations and applicable law.

(b) Peace Corps will transfer to the Department of the Treasury, Financial Management Service (FMS) any past due, legally enforceable non-tax debt that has been delinquent for 180 days or more so that FMS may take appropriate action to collect the debt or take other appropriate action in accordance with applicable law and regulation.

(c) Peace Corps may transfer any past due, legally enforceable debt that has been delinquent for fewer than 180 days to FMS for collection in accordance with applicable law and regulation. (See 31 CFR part 285.)

### **§ 309.9 Notice—written demand for payment.**

(a) Upon determination that a debt is owed to Peace Corps or the United States, Peace Corps shall promptly hand deliver or send by first-class mail (to the debtor's most current address in the records of Peace Corps) at least one written notice (e.g. Bill of Collection or demand letter) informing the debtor of the consequences of failing to pay or otherwise resolve a Peace Corps debt, subject to paragraph (c) of this

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section. Written demand under this subpart may be preceded by other appropriate actions under this part and or the FCCS, including but not limited to actions taken under the procedures applicable to administrative offset, including salary offset.

(b) The written notice shall inform the debtor of:

(1) The nature and amount of the debt, and the facts giving rise to the debt;

(2) The date by which payment should be made to avoid the imposition of interest, penalties, and administrative costs, and the enforced collection actions described in § 309.5 of this part;

(3) The applicable standards for imposing interest, penalties and administrative costs to delinquent debts;

(4) Peace Corps' willingness to discuss alternative payment arrangements and how the debtor may enter into a written agreement to repay the debt under terms acceptable to Peace Corps;

(5) The name, address, and telephone number of a contact person or office within Peace Corps;

(6) Peace Corps' intention to enforce collection if the debtor fails to pay or otherwise resolve the debt, by taking one or more of the following actions:

(i) Offset from Federal payments otherwise due to the debtor, including income tax refunds, salary, certain benefit payments, retirement, vendor payments, travel reimbursement and advances, and other Federal payments;

(ii) Referral to private collection agency;

(iii) Report to credit bureaus;

(iv) Administrative wage garnishment;

(v) Referral to Department of Justice for litigation action;

(vi) Referral to Financial Management Service of the Department of the Treasury for collection;

(vii) Other actions as permitted by the FCCS and applicable law.

(7) How the debtor may inspect and copy records related to the debt;

(8) The debtor's opportunity for an internal review of Peace Corps' determination that the debtor owes a debt or the amount of the debt;

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(9) The debtor's right, if any, to request waiver of collection of certain debts, as applicable;

(10) Requirement that the debtor advise Peace Corps of any bankruptcy proceeding of the debtor.

(c) Peace Corps may omit from a notice to a debtor one or more of the provisions contained in paragraphs (b) (6) through (10) of this section if Peace Corps determines that any provision is not legally required given the collection remedies to be applied to a particular debt, or which have already been provided by prior notice, applicable agreement, or contract.

### § 309.10 Review requirements.

(a) For purposes of this section, whenever Peace Corps is required to afford a debtor a review within the agency, Peace Corps shall provide the debtor with an opportunity for an internal review of the existence or the amount of the debt. For offset of current Federal salary under 5 U.S.C. 5514 for certain debts, debtors may also request an outside hearing. (See subpart C of this part)

(b) Any request for a review must be in writing to the contact office by the payment due date stated in the initial notice sent under § 309.9(b) or other applicable provision. The debtor's request shall state the basis for the dispute and include any relevant documentation in support.

(1) Peace Corps will provide for an internal review of the debt by an appropriate agency official. The review may include examination of documents, internal discussions with relevant officials and discussion by letter or orally with the debtor, at Peace Corps' discretion.

(2) An oral hearing is not required when, in Peace Corps' determination, the matter can be decided on the documentary record. Peace Corps will provide a 'paper hearing', that is, a determination based upon a review of the written record unless Peace Corps makes a determination that a debt involves issues of credibility or veracity, at which point an oral hearing may be required. Unless otherwise required by law, such oral hearing shall not be a formal evidentiary hearing.

### § 309.11 Collection.

Upon final determination of the existence and amount of a debt, unless other acceptable payment arrangement have been made or procedures under a specific statute apply, Peace Corps shall collect the debt by one or more of the methods described in § 309.9(b) (6) (i-vii) or as otherwise authorized by law and regulation.

(a) *Administrative offset*—(1) Payments otherwise due the debtor from the United States shall be offset from the debt in accordance with 31 CFR 901.3. These may be funds under the control of Peace Corps or other Federal agencies. Collection may be through centralized offset by the Financial Management Service (FMS) of the Department of the Treasury.

(2) Such payments include but are not limited to vendor payments, salary, retirement, lump sum payments due upon Federal employment separation, travel reimbursements, tax refunds, loans or other assistance. Offset of Federal salary payments will be in accordance with 5 U.S.C. 5514.

(3) Before administrative offset is instituted by another Federal agency or the FMS, Peace Corps shall certify in writing to that entity that the debt is past due and legally enforceable and that Peace Corps has complied with all applicable due process and other requirements as described in this part and other Federal law and regulations.

(b) Any other method authorized by law or regulation.

## Subpart C—Salary Offset

### § 309.12 Purpose.

This subpart provides Peace Corps' policies and procedures for the collection by salary offset of a Federal employee's pay to satisfy certain past due debts owed the United States Government.

### § 309.13 Scope.

(a) The provisions of this section apply to collection by salary offset under 5 U.S.C. 5514 of debts owed to Peace Corps and debts owed to other